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UNCLAS SECTION 01 OF 08 TEL AVIV 006025

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WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
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USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
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JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Mideast

12. Nobel Peace Prize to ElBaradei and IAEA

Key stories in the media:

Almost all media bannered the bestowing of the Nobel Prize in Economics on Monday upon Hebrew University Professor of Mathematics Robert J. Aumann for his work on the game-theory analysis. Aumann, who emigrated from the U.S. in 1956, shares the prize with Thomas C. Schelling of the University of Maryland. The media reported that Aumann holds hawkish views.

Leading media cited an announcement made Monday by Israeli and Palestinian negotiators, according to which the meeting between PM Sharon and PA Chairman [President] Mahmoud Abbas, which was scheduled for today, was postponed until late October or early November. The statement says that it was decided to resume the work of a number of joint Israel-PA committees, "to prepare the agenda for a successful and fruitful meeting between the two leaders." On Sunday, Jerusalem Post reported that Sharon was to review a plan giving the PA expanded control of Gaza border crossings. On Sunday, Ha'aretz quoted Mofaz as saying that Israel will not transfer any more West Bank cities to the control of the PA. Leading media reported that on Monday, as a Ramadan gesture, Israel eased up a number of restrictions on Palestinians living in the West Bank. The measures include a softening of Jerusalem, and freedom of movement for economic purposes. Israel Radio quoted Vice Premier Shimon Peres as saying that Israel has not entirely rejected the PA's demands. Maariv quoted senior sources Jerusalem as saying that the Palestinians are only interested in immediate achievements.

Leading media reported that Sharon is slated to meet today with A/S David Welch, who met with Abbas on Monday, followed by meetings with senior Sharon aide Dov Weisglass, FM Silvan Shalom, and Defense Minister Shaul Mofaz. Ha'aretz says that in his meetings Monday, Welch reiterated the U.S. stand regarding the importance of strengthening Abbas's government. Leading media reported that the Shin Bet has arrested 100 to 117 Hamas activists, members of three terrorist cells, who planned attacks during the lull period, including the abduction and killing of the Israeli civilian Sasson Nuriel in September.

On Sunday, Yediot led with differences of opinion that have arisen between Mofaz and the Shin Bet regarding allowing the PA to equip itself with light weaponry. The newspaper wrote that while the Shin Bet is in favor of allowing the PA to do so -- albeit, only in the Gaza Strip -- Mofaz is opposed. According to Yediot, Sharon is inclined to adopt Mofaz's position. On Sunday, Ha'aretz wrote that the IDF and Shin Bet favor such a gesture.

Ha'aretz and Israel Radio quoted FM Silvan Shalom as saying Monday after meeting with A/S Welch that the U.S. will resume its strategic dialogue with Israel after a hiatus of close to three years. The first round of the renewed dialogue is scheduled for the second week of November. The Israeli team will be coordinated by Tzachi Hanegbi, minister in the Prime Minister's Office, and Foreign Ministry DG Ron Prosor. The American team will be coordinated by Under Secretary for Political Affairs Nicholas Burns.

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Ha'aretz quoted a senior political source in Jerusalem as saying on Monday that the U.S. had apparently agreed to resume the talks following the disengagement and the end of the crisis between Israel and the U.S. regarding Israeli arms sales to China.

On Sunday, Maariv's web site (NRG) reported that after several weeks of tough clashes between organizations in the Gaza Strip, especially Hamas and Fatah, an "honor treaty" was signed on Saturday by the armed groups. Its declared aim reportedly is to prevent deterioration into civil war and to establish that from now on weapons will be aimed only at Israel.

Maariv cited the Israeli defense establishment's concern that Syria's increased revenues following the hike in oil prices allow it to purchase state-of-the-art weapons systems. Maariv also quoted senior members of the Israeli defense establishment as saying that the pressure being applied on Syria is too heavy, and that it would be better not to push that country into a corner. During the weekend, major media cited a Newsweek report, according to which the USG considered attacking camps and facilities in Syria that are being used by insurgents operating in Iraq. According to the report, Secretary of State Condoleezza Rice opposed the attack and succeeded in persuading other senior officials to put it off.

On Monday, Yediot quoted IDF Intelligence head Maj. Gen. Aharon Zeevi-Farkash as saying on Sunday, in an intelligence review to the cabinet ministers, that Al Qaida has set up a terror base in Sinai, and that Egypt knows about the terrorist base in its territory, but has been hard put to dismantle it. FM Shalom said on Saturday in an interview to Israel Radio that Egypt is not doing enough to prevent the flow of weapons from Egypt into the Gaza Strip via the Rafah crossing between Sinai and the Gaza Strip.

Ha'aretz reported that three Palestinians, including a 15-year-old youth, were shot dead by IDF soldiers near the Gaza Strip border on Sunday night. The three were unarmed. The media reported that on Sunday, a Fatah activist was killed near Nablus in a gun battle with IDF troops.

On Monday, Yediot reported that, "setting a historic precedent," Abbas is expected to deliver a speech before an international conference that the Netanya Academic College has planned to mark the tenth anniversary of the Rabin assassination, to be held on November 15 and 16. Jerusalem Post also reported on Abbas's planned address.

Citing AP, Jerusalem Post quoted Yahad-Meretz head Yossi Beilin as saying in Budapest Monday that the Roadmap is not being taken seriously by any of those involved with it.

Ha'aretz reported that on Sunday, the Turkish government gave the PA a copy of the Ottoman archive containing all documents pertaining to land ownership in pre-state Israel through 1916. The PA had requested the records to support Palestinian land claims. Citing AP, Jerusalem Post reported that Col. Ely Ould Mohamed Vall, Mauritania's post-coup leader, told reporters that his country will maintain diplomatic relations with Israel.

Ha'aretz reported that the Israeli delegation to the UN was cautiously optimistic Monday that the UN's selection of five new rotating members of its Security Council -- the Congo Republic, Ghana, Peru, Qatar and Slovakia -- could bode well for Israel. The newspaper quoted sources in the Israeli delegation as saying that Qatar, which has recently established strong ties with FM Shalom and Danny Gillerman, the Israeli representative to the UN, would treat Israel better than Algeria, which is one of five countries vacating their seats on the Security Council.

On Sunday, Yediot reported that, at a meeting of the umbrella organization of the Palestinian factions in

the West Bank, the Palestinian Public Works Minister, Mohammed Shatiye, announced that the U.S. will not extend any financial aid to renovation projects or other construction projects if they are named after terrorists who were killed.

During the weekend, all media highlighted the earthquake in Pakistan and India. Leading media reported that Israel has offered assistance to both countries.

Ha'aretz published the results of a survey conducted on Sunday among Labor Party members by the Amanet Group's Dialogue Institute:

-If the primaries for Labor leader were held today, whom would you vote for?" Shimon Peres: 40.5 percent; Histadrut labor federation chief Amir Peretz: 22 percent; Matan Vilnai: 12 percent; Binyamin Ben-Eliezer: 10.8 percent.

-If a second round between Peres and Peretz were to be held today, the poll shows that Peres would beat Peretz by anywhere from 30 percent to 60 percent.

Ha'aretz printed the results of a poll conducted jointly by the Dialogue Institute and Mina Zemach (Dahaf Institute), which shows that the religious Right would double its parliamentary representation if it ran as a single list in the next elections (i.e. Likud: 38 seats; National Religious Party (NRP) and National Union: 26; Yisrael Beiteinu: 8). In the current Knesset, Likud has 44 seats; NRP: 5; National Union: 6; Yisrael Beiteinu: 7.

1. Mideast:

Summary:

Veteran columnist Yaron London wrote in the lead editorial of mass-circulation, pluralist Yediot Aharonot: "We are very strong, and the miniscule Palestinian state, even should it be governed by Hamas, will be able to do us no more harm than the armed gangs of embittered souls."

Independent, left-leaning Ha'aretz editorialized:
"Israel and the United States cannot remain observers
in view of these internal struggles."

Regional correspondent Ronnie Shaked wrote in Yediot Aharonot: "The Sharon-Abu Mazen meeting is geared solely to pleasing U.S. President Bush and Jordan's King Abdullah."

Block Quotes:

TI. "Their Fate, Our Fear"

Veteran columnist Yaron London wrote in the lead editorial of mass-circulation, pluralist Yediot Aharonot (October 10): "Are we impeding the Palestinians from standing on their own two feet? Reason and justice behoove us to allow them to prove that they can convalesce from their internal crumbling if they are left alone, untroubled. We have refused to do so, and are prepared to release our grip on their throats only if the armed organizations are disarmed. We can only gaze on in astonishment: the Americans are lobbying Abu Mazen to delay the Palestinian parliamentary elections, whereas he wants to keep his word and to hold them on their scheduled date. The bearers of the cross of democracy are afraid of the Palestinian voter's verdict, whereas the Palestinian leader is prepared to take the chance of his government being weakened as a result of Hamas gaining strength. His argument is as follows: if the organizations are integrated into the political establishment they will behave like legitimate players. He may be right and he may be wrong, but we would be best served by accepting his assumption. We are very strong, and the miniscule Palestinian state, even should it be governed by Hamas, will be able to do us no more harm than the armed gangs of embittered souls.

II. "Unarmed Politics"

Independent, left-leaning Ha'aretz editorialized (October 9): "The radical group [Hamas] wants to maintain its private armed wing while it takes part in local politics. This puts it on an inevitable triple collision course -- with the Palestinian Authority,

with Israel and with the United States. The Hamas stand is especially threatening to Chairman Mahmoud Abbas, who is due to meet Prime Minister Ariel Sharon this week and the American president later. Both will be keen to ascertain how capable of navigating the political course Abbas is. Even more than Hamas's radical positions, the violent developments are raising profound concern... Postponing the elections, whether by Abbas' initiative or due to Egypt's lobbying, cannot replace resolved action to disarm the illegal weapons... Israel and the United States cannot remain observers in view of these internal struggles. Releasing Palestinian prisoners, opening sea- and airports, transferring considerable funds to the Palestinian Authority and equipping it with effective military tools to strengthen it are necessary to bolster the Palestinian partner. Without these steps, Israel too will not be able to persuade the world that its intentions are sincere."

III. "There Is With Whom to Talk, But Nothing to Talk About" $% \begin{center} \$

Regional correspondent Ronnie Shaked wrote in Yediot Aharonot (October 9): "The Sharon-Abu Mazen meeting is geared solely to pleasing U.S. President Bush and Jordan's King Abdullah. While there currently is a Palestinian leader with whom Israel can talk, Israe has nothing to talk with him about. That is why neither side has great expectations from the summit meeting and that is why the preparations for that meeting have been low profile and without enthusiasm. The political process is in a deep coma and it is going to take something far more momentous than a meeting between Abu Mazen and Sharon to wake it up. The issues on the agenda -- the border crossings, removing a few roadblocks, opening up some roads to Palestinian traffic or a few hundred permits for Palestinians to work in Israel -- could easily be resolved in a lower-level meeting.... Moreover, the security establishment is not even contemplating either easing any restrictions or making any other gestures due to concern that terrorism might rise in the West Bank. On the contrary, the discussion will revolve around ways of improving security. So, then, why now? Why in Jerusalem? Both sides have an interest in coming to the meeting, but there is no mutual interest for holding it. Abu Mazen doesn't want to embarrass King Abdullah, who pressed for the meeting to be held. Sharon too respects King Abdullah's involvement, but more than that he wants to please President Bush, who urged King Abdullah to pressure the parties."

12. Nobel Peace Prize to ElBaradei and IAEA:

Summary:

Conservative, independent Jerusalem Post editorialized: "At the end of the day it is not the IAEA or the UN or any organization that matter, but the governments in the U.S., UK, France, and Germany."

Block Quotes:

"Premature Nobel Prize"

Conservative, independent Jerusalem Post editorialized (October 10): "That the U.S. and UK, we hope with the support of France and Germany, will now press harder for effective sanctions against Iran should go without It is in the hands of these nations, and the saying. IAEA itself, whether this Nobel prize will in afew years seem to have been either prescient or a cruel joke. After all, it is reality that counts. If Iran succeeds in developing nuclear weapons, it will be a tremendous and probably fatal failure for the IAEA as an organization. Even more importantly, of course, it will be a failure of the international system and of the West to defend itself against a threat to the security and independence of all free nations. nuclear Iran, besides being a direct threat to Israel and other countries, would become the linchpin of the global terror network. The famous 'nuclear umbrella' that was spread over Europe during the Cold War would suddenly protect the terrorists themselves and the dictators who sponsor them. Since the IAEA is an international organization that has long resisted distinguishing between democracies and dictatorships, and still has to pretend it does not, it is not surprising that it failed to stop Saddam Hussein from

coming so close to building a bomb before the first Gulf War, and has so far allowed Iran to buy more time for its program. But at the end of the day it is not the IAEA or the UN or any organization that matter, but the governments in the U.S., UK, France, and Germany. If these four nations are determined to raise the price Iran must pay for its program to unacceptable levels, they have the collective diplomatic and economic, not to mention military, power to do so. If they do not, a misdirected peace prize will be the least of the world's problems."

JONES